

Online Filing Demand For Arbitration/Mediation Form

This concludes your filing.

Thank you for submitting your claim to the AAA.

Your claim confirmation number is: 002-KGL-ZJ5

To institute proceedings, please send a copy of this form and the Arbitration Agreement to the opposing party.

Your dispute has been filed in accordance with: Commercial Dispute Resolution Procedures

This Claim has Been Filed For: Arbitration

Filing Fee: \$2,750.00

Additional Claim Information

Claim Amount: \$181,690.00

Claim Description: This is a breach of contract claim by Claimant, VIAONE TECHNOLOGIES INC. ("VIAONE"), a provider of products and services, including but not limited to, Personal Electronic Identification Numbers ("PINS") which are redeemable for certain quantities of airtime minutes with different telecommunications carriers, against Respondent, MR. PREPAID INC. ("MR. PREPAID"), a distributor of PINS to retail stores and outlets for sale directly to consumers, and against Respondent, DANIEL D. ELY ("ELY"), MR. PREPAID's principal owner, who personally guaranteed MR. PREPAID's obligations under its contract with VIAONE. Beginning on or about September 21, 2006, MR. PREPAID refused to pay VIAONE for PINS it had ordered and received from VIAONE pursuant to its contract with VIAONE. MR. PREPAID has ignored VIAONE's repeated demands for payment for the PINS purchased under its contract with VIAONE. DANIEL ELY ("ELY") is the principal owner of Mr. Prepaid. On July 29, 2005, VIAONE and MR. PREPAID entered into an Airtime Gateway Agreement (the "Contract") under which VIAONE agreed to sell and MR. PREPAID agreed to purchase PINS through VIAONE's electronic system (the "Airtime Gateway") for the sale of prepaid airtime minutes. On July 29, 2005, ELY executed a personal guarantee (the "Personal Guarantee") in favor of VIAONE under which ELY personally guaranteed MR. PREPAID's obligations under the Contract. Under the Contract, VIAONE extended to MR. PREPAID a line of credit with a credit limit (the "Credit Limit") in the amount of (\$100,000.00) (the "Line of Credit"). Under the Contract, MR. PREPAID authorized VIAONE to debit MR. PREPAID's bank account for PINS ordered by MR. PREPAID in excess of the Credit Limit through Automated Clearing House (the "ACH") Transactions. Pursuant to the Contract, MR. PREPAID executed an Automated Clearing House Authorization ("ACH Authorization"), under which MR. PREPAID authorized VIAONE to debit its bank account through ACH Transactions. Under the Contract, the balance due on the Line of Credit was required to be reduced to (\$0.00) upon (a) the termination of the Contract or (b) the refusal of an ACH Transaction by MR. PREPAID'S bank account. Under the terms of both the Contract and the ACH Authorization, MR. PREPAID agreed to pay VIAONE an administrative fee of (\$300.00) for each failed ACH Transaction and for each failed wire transfer to VIAONE (the "Failed ACH Transaction Fee"). On or about September 16, 2006, the amount due for MR. PREPAID's orders of PINS was in excess of the Credit Limit. As of September 21, 2006, eleven ACH Transactions, totaling (\$78,390.00) were rejected by MR. PREPAID's bank (the "Rejected ACH Charges"). On or about September 21, 2006, VIAONE informed MR. PREPAID of the Rejected ACH Charges and made a written demand (the "Demand") for immediate repayment of the Rejected ACH Charges along with the outstanding Line of Credit balance of (\$100,000.00) (the "Line of Credit Balance"). As of the date of the filing of this Demand for Arbitration, MR. PREPAID owes VIAONE amounts for the Rejected ACH Charges, the Line of Credit Balance and the Failed ACH Transaction Fees for eleven (11) failed ACH Transactions, for a total outstanding debt of (\$181,690.00) (the "Total Outstanding Debt"). VIAONE hereby demands an award of \$181,690.00 plus interest and all expenses incurred by VIAONE in connection with enforcement of its rights under the Contract and Personal Guarantee, including but not limited to all collections costs and reasonable attorneys' fees.

Arbitration Clause: 21. Consent to Arbitration. Any controversy or claim arising out of or relating to this Agreement, or the breach thereof, shall be settled by arbitration administered by the American Arbitration Association under its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator shall be final and binding on the parties, and judgment may entered in any court having jurisdiction thereof. The arbitrator shall not be authorized to award either party extra contractual damages (i.e.

compensatory or punitive); provided, however that the arbitrator shall have the power to award the prevailing party its costs and fees.

Hearing Locale Requested: New York , NY

Contract Date: 07/29/2005

Number of Neutrals: 1

Claimant

Representatives

VIAONE TECHNOLOGIES, INC.

Type of Business: Service / Product Provider

Name:

Company Name: VIAONE TECHNOLOGIES, INC.

Address: 525 Broadway
Fifth Floor
New York, NY 10012

Tel#: 212-219-2220

Fax#:

Email:

Include in
Caption: Company

Name: Kristian Karl Larsen

Company Name: Lee & Kelley, LLP

Address: 264 West 40th Street
18th Floor
New York, NY 10018 - 1512

Tel#: 212-710-0006

Fax#: 212-710-0006

Email: klarsen@leekelley.com

Respondent

Representatives

MR. PREPAID, INC. Daniel Ely

Type of Business: Service / Product Provider

Name:

Company Name: MR. PREPAID, INC.

Address: 300 Reistertown Road
Baltimore, MD 21208

Tel#: 410-486-2243

Fax#:

Email:

Include in
Caption: Company

Name: Daniel D Ely

Company Name:

Address: 3917 Labyrinth Road
Baltimore, MD 21215

Tel#: 410-486-2243

Fax#:

Email:

Include in
Caption: Individual

Name: Avrom R. Vann

Company Name:

Address: 420 Lexington Avenue
Suite 2400
New York, NY 10170

Tel#: 212-382-1700

Fax#: 212-661-6976

Email: A2442@aol.com

To institute proceedings, please send a copy of this form and the Arbitration Agreement to the opposing party.
Your demand/submission for arbitration/mediation has been received on 12/22/2006 15:12.